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Indicators. . .

Purchases of industrial supplies increased nationally in November, according to the *NIDA-SIDA Industrial Distribution Index*. The index, compiled from the monthly MRO sales figures of 100 distributors, stood at 283.4, up 8.6 points (3.1%) from October and 30.1 points (11.9%) from the year-before level. The *NIDA-SIDA Inflation Index*, based on the sales prices of 10 products, was at 232.9 points in November, up 0.7% from October and 9.6% from the year-before level. (Both indexes are 1967=100.) Regional sales, comparing November to month-before and year-before levels, were: east, 243.5, up 6.2% and 11.2%; midwest, 266.1, up 2.3% and 7%; west, 317.6, up 1.9% and 20.1%; south, 322.4, up 4.1% and 17.1% . . .The November *ASMMA New Order Index* was down 3.9 points (1.5%), standing at 258.3. The two-month, moving average was only 0.3 points above the year-before level. . .The *FRB Index of Production Manufactures* was at 143.9 in November, down 1.5 points from October's revised level. . .The *SIDA Monthly Sales Trend Report* for November had an overall sales decline of 7.7%, with an 8.8% increase over the year-before level. Area II (Fla., Ga., S.C., P.R.) posted the weakest performance for both periods, down 19.1% and 0.8% respectively. . .The National Welding Supply Assn.'s *Welding Supply Index* was at 136.3 in November, down 11.4 points from October, but up 12.7 points from the year-before level. . .The National Assn. of Aluminum Distributors *Quick Pulse Index* stood at 203.7 in November, down 17.4 points from October and 11.1 points from November 1978. . .The National Wholesale Hardware Assn.'s *Wholesale Hardware Index* stood at 209.8 in November, up 2.4 points from October and 19.7 points above the year-before level. . .The National Assn. of Purchasing Management said the economy dropped sharply in December. NAPM's *Business Survey Report* indicated that order backlogs were being reduced as production and new orders declined. However, the purchasing agents said excessive buildup of inventories had been avoided. □

November sales show a 6% decline

November brought a decline in distributor sales, according to *Regional Report* respondents.

The drops in October-to-November sales were not radical—5% for general liners and 9% for specialists, bringing a weighted average of 6%—but they seemed likely to make fourth-quarter totals the worst of the year.

Even with the declines, another was posted in September, it appeared clear that 1979 was a strong sales year. Sales for the first 11 months of the year were 18% above the same period in 1978.

But by November it appeared fairly likely that the long-expected decline of the economy was at hand.

The Commerce Dept.'s index of leading indicators fell by 1.3%, the largest drop since April and the index's fourth in the preceding five months.

The major influences in the decline, according to Commerce analysts, were housing and the auto industry. Both sectors were very weak.

The specific indicators down included building permits, average workweek, layoffs, slower deliveries, money supply and new orders.□

Receivables*	November 1979 Gen.	November 1979 Spec.	November 1978 Gen.	November 1978 Spec.
New England	41.9	42.4	40.7	37.4
Middle Atlantic	40.1	41.7	39.6	41.8
South Atlantic	32.6	34.4	32.6	35.7
East North Central	34.0	38.6	32.7	39.5
East South Central	38.2	40.0	38.9	38.0
West North Central	39.8	40.0	35.9	42.0
West South Central	49.5	41.7	40.0	44.0
Mountain	52.0	42.0	44.0	33.0
Pacific	40.3	44.7	32.9	44.6
U.S. Average	40.3	40.6	37.5	39.6

*Average days outstanding

% changes in sales when compared with same month in previous year

Still 9% higher than a year before, but signs of weakness are evident...

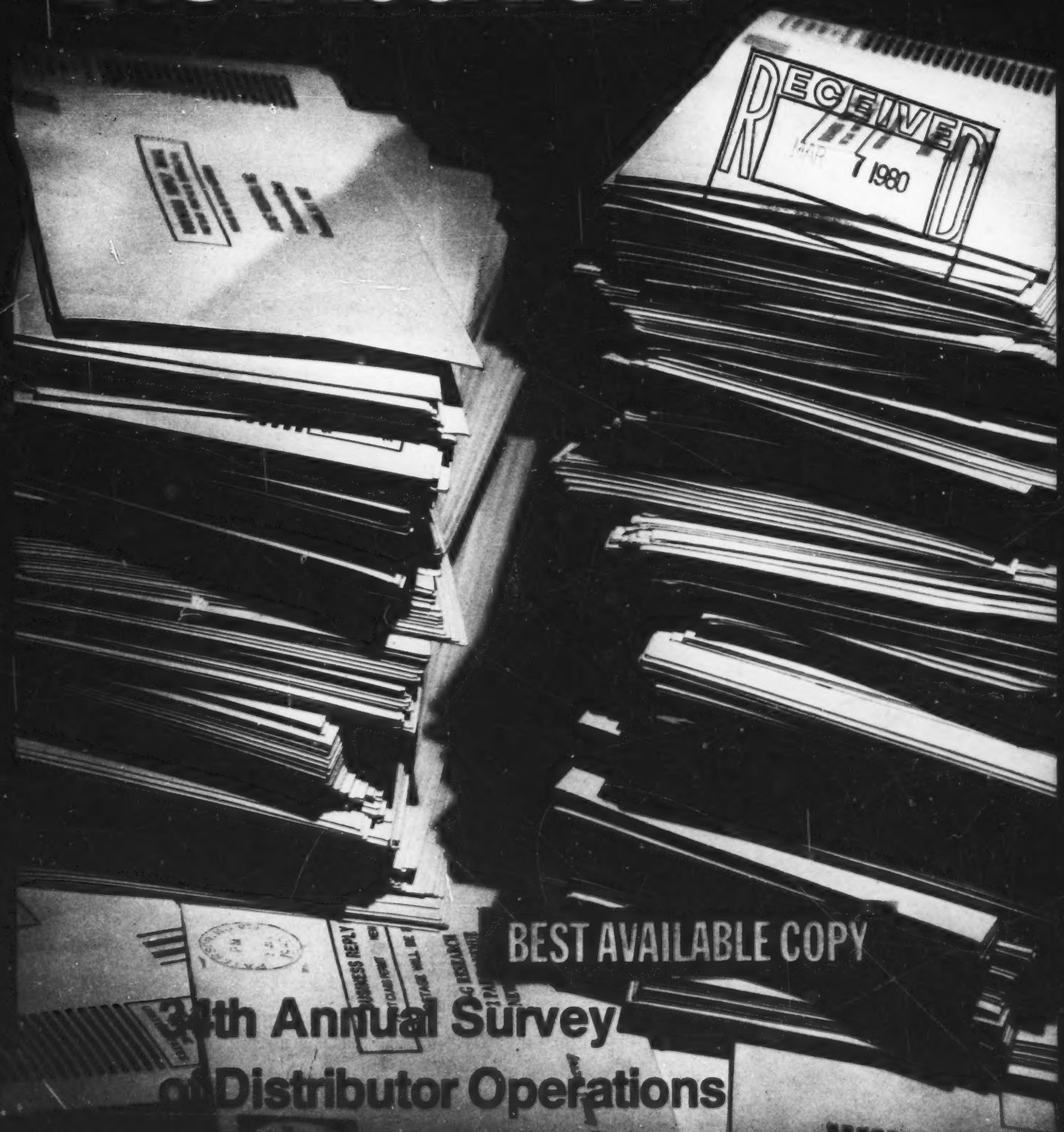
SALES BY REGIONS (% change)

	Nov. '79 vs. Oct. '79 Gen.	Spec.	Both	Nov. '79 vs. Nov. '78 Gen.	Spec.	Both	11 mos. '79 vs. 11 mos. '78 Gen.	Spec.	Both
NEW ENGLAND: Conn., R.I., Mass., N.H., Vt., Me.	–22	–9	–18	–1	33	16	16	24	21
Connecticut	–27	–8	17	–5	13	4	16	33	24
Massachusetts	–22	–7	–10	1	14	8	16	17	16
MIDDLE ATLANTIC: N.Y., N.J., Pa.	–24	–8	–8	–6	–8	–7	32	17	24
New York Metropolitan Area	–5	12	4	15	4	9	12	18	15
Upstate New York	–23	–2	–12	–39	–1	–20	5	3	4
Pennsylvania	–8	–1	–4	10	19	14	40	24	32
SOUTH ATLANTIC: Del., D.C., Md., Fla., Ga., N.C., S.C., Va., W.Va.	31	–10	11	40	23	32	16	20	18
Georgia-Florida	–5	–10	–8	38	20	29	23	18	21
EAST NORTH CENTRAL: Ohio, Ind., Ill., Mich., Wis.	13	–15	–1	5	11	8	26	19	23
Indiana	13	18	15	7	26	16	22	28	25
Wisconsin	–3	–1	–2	10	20	15	15	38	26
Chicago	–12	–11	–11	–1	12	6	10	30	20
Michigan	–18	–40	–29	3	–8	–3	14	10	12
Ohio	–16	–9	–13	19	23	21	32	16	24
EAST SOUTH CENTRAL: Ala., Miss., Ky., Tenn.	–15	–3	–9	5	2	3	10	17	14
WEST NORTH CENTRAL: Minn., N.D., S.D., Iowa, Neb., Kan., Mo.	18	–6	6	24	9	16	15	16	16
WEST SOUTH CENTRAL: Ark., La., Okla., Tex.	31	–7	19	–9	7	–1	5	3	4
Texas	–36	–4	–16	2	–11	–1	22	–2	10
MOUNTAIN: N.M., Ariz., Colo., Utah, Nev., Wyo., Mont., Idaho	–13	–14	–13	3	12	8	12	19	16
PACIFIC: Calif., Ore., Wash.	–2	–40	–19	30	–28	1	22	14	17
L.A.-San Diego	1	–7	–3	25	7	16	26	16	21
Oregon-Washington	–4	–27	–16	30	6	18	22	8	15
U.S. TOTALS	–5	–9	–6	9	9	9	18	18	18

Industrial Distribution

March 1980

Hotline:
No slowdown seen for acquisitions despite tight money



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Indicators. . .

Sales of industrial supplies declined in every region during December, according to the *NIDA-SIDA Industrial Distribution Index*. The national reading was 260.6, down 22.8 points (8%) from November and up 13.4 points (5.4%) from December 1978. The *NIDA-SIDA Inflation Index* for December was at 235.0, 2.1 points (0.9%) over November and 21.2 points (9.9%) over December 1979. (Both indexes are 1967=100.) Regional sales for December, comparing December to month-before and year-before levels, were: east, 232.0, down 4.7% and up 8.4%; midwest, down 9.7% and 0.04%; west, 295.6, down 6.9% and up 14.9%; south, 299.1, down 7.2% and up 9.1%. . .The *ASMMA New Order Index* stood at 257.7 in December, down 2% from November and up 1.7% from December 1978. . .The *FRB Index of Production Manufactures* was at 144.8 in December, up 0.1 points from November and 2.4 points from the year-before level. . .The *SIDA Monthly Sales Trend Report* showed a 6.4% increase in December-from-November sales. The figure was 13.7% when compared to December 1978's. Despite the overall increase, two regions had decreases. Area III was worst hit, with drops of 12.2% in the most recent period and 3.4% in the 12-month period. . .The *Welding Supply Index* of the National Welding Supply Assn. dropped 6.5%, 136.3 to 127.5, in December, remaining 15.2% above the year-before level. . .The *Wholesale Hardware Index* of the National Wholesale Hardware Assn. stood at 211.8 in December, up 0.95% from November and 10.5% from December 1978. . .The National Assn. of Aluminum Distributors' *Quick Pulse Index* dropped 14 points (6.9%) in December. The index was 20.2 points (9.6%) below its year-before level. . .New factory orders increased 1.3% in December to $148.5 billion after holding steady in November. . .The Commerce Dept's index of leading economic indicators stuck at 136.8 in December, the same reading listed in November and 1.2 points below October's. . .Business inventories rose only 0.4% in December to $426.3 billion. This followed a 0.8% increase in November. □

December sales—down again

Sales of industrial supplies dropped in December by as much as 4% overall, according to *Regional Report* respondents.

The fourth quarter brought a decline in each of its three months, trimming the gains of an otherwise strong sales year. Even so, general line respondents finished the year 15% higher than in 1978, with specialists at 17% higher.

Looking ahead to the first quarter of 1980, one widely respected barometer of economic performance pointed to continued slippage in January.

The January *Business Survey Report* of the National Assn. of Purchasing Management indicated that production and new orders were still eroding, with employment lower but not falling.

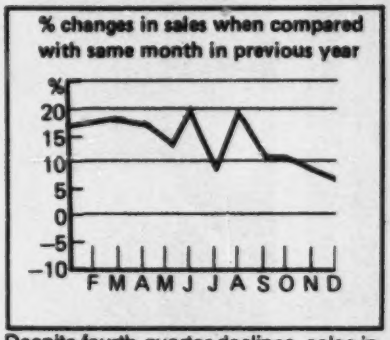
Respondents to the monthly survey are purchasing agents in a broad section of industry. Although they reported poorer business conditions in general, their consensus was that "the decline is not snowballing."

A number of respondents said they feel increased defense spending may aid against a sharp dropoff. "Confidence and reports of good business are still being voiced by many," said Charles T. Haffey, chairman of the Business Survey Committee.

"These positive comments outnumber those reporting distress conditions by more than two to one." □

Receivables*	December 1979 Gen.	December 1979 Spec.	December 1978 Gen.	December 1978 Spec.
New England	39.8	38.5	43.1	35.1
Middle Atlantic	40.0	41.9	40.7	42.7
South Atlantic	35.4	36.3	37.2	35.3
East North Central	37.8	38.9	38.0	38.5
East South Central	34.0	39.0	38.0	39.5
West North Central	44.1	43.6	43.9	42.6
West South Central	46.0	40.2	47.5	39.3
Mountain	45.2	41.8	43.7	38.0
Pacific	35.4	39.9	40.9	45.3
National	39.7	40.0	41.4	39.6

*Average days outstanding



Despite fourth-quarter declines, sales in 1979 were 16% higher than in 1978...

SALES BY REGIONS (% change)	Dec. '79 vs. Nov. '79 Gen.	Spec.	Both	Dec. '79 vs. Dec. '78 Gen.	Spec.	Both	12 mos. '79 vs. 12 mos. '78 Gen.	Spec.	Both
NEW ENGLAND: Conn., R.I., Mass., N.H., Vt., Me.	6	−14	−1	9	11	10	18	21	19
Connecticut	17	−18	5	23	12	19	16	18	17
Massachusetts	−5	−6	−6	−3	12	7	3	23	16
MIDDLE ATLANTIC: N.Y., N.J., Pa.	−7	2	−2	−1	9	4	11	16	14
New York Metropolitan Area	−3	2	1	8	9	9	12	15	14
Upstate New York	−8	2	−2	−14	21	8	−1	14	8
Pennsylvania	13	14	14	2	8	5	14	23	19
SOUTH ATLANTIC: Del., D.C., Md., Fla., Ga., N.C., S.C., Va., W.Va.	−1	−8	4	14	15	14	19	18	19
Georgia-Florida	8	−6	−4	12	17	16	16	21	20
EAST NORTH CENTRAL: Ohio, Ind., Ill., Mich., Wis.	−8	−4	−6	1	16	8	15	22	18
Indiana	−11	15	6	3	22	16	20	23	22
Wisconsin	−14	−13	−14	6	8	7	14	20	16
Chicago	5	10	7	8	24	15	14	32	22
Michigan	−19	−20	−19	−21	−20	−21	8	5	7
Ohio	−1	—	—	4	—	—	19	—	—
EAST SOUTH CENTRAL: Ala., Miss., Ky., Tenn.	−11	−14	−13	−18	−12	−14	6	3	4
WEST NORTH CENTRAL: Minn., N.D., S.D., Iowa, Neb., Kan., Mo.	−20	−8	−12	−9	9	3	16	9	11
WEST SOUTH CENTRAL: Ark., La., Okla., Tex.	−22	−13	−18	−6	4	2	14	13	14
Texas	9	−1	3	7	7	7	26	12	18
MOUNTAIN: N.M., Ariz., Colo., Utah, Nev., Wyo., Mont., Idaho	−1	−12	−7	28	5	17	16	10	13
PACIFIC: Calif., Ore., Wash.	−12	5	−3	11	10	10	26	16	21
L.A.-San Diego	−23	6	−11	−12	13	−1	21	17	19
Oregon-Washington	−7	4	−1	24	15	18	28	17	22
U.S. TOTALS	−5	−4	−4	3	10	7	15	17	16